

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

August 3, 2010

TO: Internal File

THRU: Steve Christensen, Team Lead SKC

FROM: Angela Nance, Business Analyst an

RE: Midterm Permit Review, Sunnyside Cogeneration Association, Sunnyside Refuse & Slurry, C/007/0035, Task ID #3547

SUMMARY:

In accordance with R645-303-211, the Division is required to review each active permit during its term. The Division commenced the Midterm Review for the Sunnyside Refuse and Slurry on June 3, 2010. This Technical Memorandum reviews the ownership and control information to insure that it is current and correct as compared to the information found in the Applicant Violator System (AVS).

The findings in this memo are based on a review of the current Mining and Reclamation Plan (MRP).

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TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

Legal and financial information can be found Book 1 of the Sunnyside Refuse and Slurry Mining and Reclamation Plan. Sunnyside Cogeneration Associates is a Utah joint venture – which is essentially a partnership between Sunnyside Holdings I, Inc. and Sunnyside II, L.P. Therefore, Book 1 of the MRP provides information for Sunnyside Holdings I, Inc. and Sunnyside II, L.P. and their parent or controlling operations. This section of the MRP was last updated in February 2008.

Findings:

Deficiencies have been identified that must be addressed prior to approval.

R645-301-112.330:

- **CP Sunnyside I, Inc.**

1. The MRP shows **Michael J. Blakey** as an active officer. However, the AVS database shows Mr. Blakey with an End Date of 6/10/2009. *Please address this discrepancy.*
2. *Please include begin dates for each of the officers and directors.*

- **Sunnyside II, Inc. & Sunnyside III, Inc.**

1. The MRP shows **Michael J. Blakey** as an active officer. However, the AVS database shows Mr. Blakey with an End Date of 6/10/2009. *Please address this discrepancy.*
2. *Please include begin dates for each of the officers and directors.*

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- **Colmac Sunnyside, Inc.**

1. The MRP shows **Greg Lawyer** as an active officer and director. However, the AVS database shows Mr. Lawyer with an End Date of 7/15/2009. *Please address this discrepancy.*
2. The AVS database shows **Chris Thompson, President and Director** with a Begin Date of 7/15/2009. This information is not in the MRP. *Please address this discrepancy.*
3. The MRP shows **William Cangan** as **Assistant Secretary**. This information is not in the AVS. *Please address this discrepancy with a Secretary's Certificate.*
4. *Please include begin dates for each of the officers and directors.*

- **Sunnyside Holdings I, Inc.**

1. The MRP shows **Greg Lawyer** as an active officer and director. However, the AVS database shows Mr. Lawyer with an End Date of 7/15/2009. *Please address this discrepancy.*
2. The AVS database shows **Chris Thompson, President and Director** with a Begin Date of 7/15/2009. This information is not in the MRP. *Please address this discrepancy.*
3. The MRP shows **William Cangan** as **Assistant Secretary**. This information is not in the AVS. *Please address this discrepancy with a Secretary's Certificate.*
4. *Please include begin dates for each of the officers and directors.*

- **Savage Services Corporation**

1. The MRP shows **C. Scott Smith** as an active officer. This information is not in AVS. *Please address this discrepancy with a Secretary's Certificate.*
2. The AVS database shows the following officers/directors as active, however, this information is not listed in the Sunnyside Refuse and Slurry MRP. *Please address this discrepancy.*

<i>L. Reese</i>	<i>Treasurer</i>	<i>1/20/2003</i>
<i>Eric Adamson</i>	<i>SVP</i>	<i>1/20/2003</i>
<i>Arthur Johnson</i>	<i>SVP</i>	<i>1/20/2003</i>
<i>C. Busch</i>	<i>SVP</i>	<i>1/20/2003</i>
<i>Raymond Alt</i>	<i>SVP</i>	<i>1/20/2003</i>
<i>Kenneth Cooper</i>	<i>SVP</i>	<i>1/20/2003</i>
<i>Kim Christensen</i>	<i>SVP</i>	<i>1/20/2003</i>
<i>Kenneth Ellzey</i>	<i>SVP</i>	<i>1/20/2003</i>
<i>Boyd Draper</i>	<i>SVP</i>	<i>1/20/2003</i>
<i>M. Savage</i>	<i>SVP</i>	<i>1/20/2003</i>

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Terrence Savage	SVP	1/20/2003
Ellis Edwards	SVP	1/20/2003
Charles Monroe	SVP	1/20/2003
Jeff Chester	SVP	1/20/2003
Troy Reid	SVP	1/20/2003
Mark Wehmanen	SVP	1/20/2003
Gary Plant	SVP	1/20/2003

- **Sunnyside II, L.P.**

1. The MRP indicates that SCA is a joint venture between Sunnyside Holdings I, Inc. and Sunnyside II, L.P. and therefore the corporate information for SCA can be found under these two companies. However, there is no corporate information provided for Sunnyside II, L.P. *Please provide the corporate information for this company, or if none exist please provide an explanation of why there are no officers or directors listed for this company.*

- **Sunnyside Generation, LLC**

1. *Please provide the corporate information for this company, or if none exist please provide an explanation of why there are no officers or directors listed for this company.*

The following companies are listed as owners or controllers in AVS, but are not listed in the Mining and Reclamation Plan. *Please address this discrepancy.*

- **Mcdermott International, Inc.**
- **Mcdermott, Inc.**
- **Babcock and Wilcox Investment Co.**
- **Babcock and Wilcox Co.**
- **Babcock and Wilcox Equity Investment, Inc.**
- **Northern States Power Co.**
- **Nrg Energy, Inc.**

Lastly, please provide an explanation of the relationship between COSI and SCA, ACI and SCA and Constellation Energy Co. and SCA.

RECOMMENDATIONS:

The application should not be approved until the above-listed corrections have been made.